



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

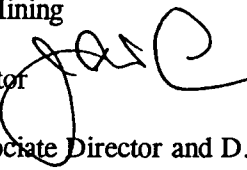
Ted Stewart
Executive Director



James W. Carter
Division Director


355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

May 1, 1996

TO: Board of Oil, Gas and Mining

THRU: James W. Carter, Director 

THRU: Lowell P. Braxton, Associate Director and D. Wayne Hedberg, Permit Supervisor  

FROM: Tom Munson, Reclamation Specialist 

RE: Request for Board Approval, Amount and Form of Replacement Reclamation Surety, Ash Grove Cement Company, County Canyon Mine, M/023/024, Juab County, Utah

The Division seeks Board approvals of the amount and form of replacement reclamation surety provided by Ash Grove Cement Company for the County Canyon Mine, located in Juab County, Utah. The form of surety is a surety bond, issued by St. Paul Fire and Marine Insurance Company for the amount of \$53,400.

Ash Grove Cement Company came before the Board one year ago for approval of a new form of surety. Now, one year later, the company has again obtained a new surety company. When the Division was advised a new surety company was going to be obtained, we prepared an updated surety estimate for the project as the old surety was approaching the time for the five-year review. The new surety has been escalated five years, to the year 2001.

Attached for your review are copies of the following documents:

1. Summary checklist
2. Executive summary
3. Location map
4. Reclamation surety estimate
5. Reclamation Contract (From MR-RC)
6. Surety bond (Attachment B - MR Form 5)

Thank you for your time and consideration of this request.

Attachments
M023024.brd



DOGM MINERALS PROGRAM

Checklist for Board Approval of FORM AND AMOUNT OF SURETY

Prepared April 30, 1996

Company Name: Ash Grove Cement Company
Mine Name: County Canyon
File No.: M/023/024

Items	Provided		Remarks
	Yes	No	
Executive Summary	X		
Location Map	X		
Reclamation Bond Estimate	X		
Signed Reclamation Contract	X		
Signed Power of Attorney/ Affidavit of Qualification	X		
Bond/Reclamation Surety	X		
Surety Sign Off (Other State/Federal Agencies)		X	N/A with Memorandum of Understanding
RDCC contacted			N/A - Replacement Surety

EXECUTIVE SUMMARY

Prepared April 30, 1996

Mine Name: <u>County Canyon Mine</u>	I.D. No: <u>M/023/024</u>
Operator: <u>Ash Grove Cement Company</u>	County: <u>Juab</u>
<u>P.O. Box 51</u>	New/Existing: <u>New (Small to Large Mine)</u>
<u>Nephi, Utah 84648</u>	Mineral Ownership: <u>BLM (federal)</u>
	Surface Ownership: <u>BLM (federal)</u>
Telephone: <u>(801) 857-2313</u>	Mine Claim No.(s): <u>AL#1 - 279003,</u>
	<u>AL#2 - 279004</u>
Contact Person: <u>Duane Crutchfield, Plant Manager</u>	Permit Term: <u>Life of Mine</u>

Life of Mine: 42 year pit life

Legal Description: NW/4 of the SW/4 Section 25, Township 12 South, Range 2 1/2 West (Quarry), and the NE/4 of Section 1, Township 12 South, Range 3 West (access road corridor), SLBM, Juab County, Utah

Mineral(s) to be Mined: High aluminum shale

Mining Methods: shallow open pit mining methods - blasting and dozing ore, loading onto trucks, hauling 20 miles to Ash Grove Cement Plant near Leamington, Utah for processing/refining.

Acres to be Disturbed: approximately 22

Present Land Use: Livestock grazing, wildlife habitat, dispersed recreation, hunting, mining

Postmining Land Use: Same as above

Variances from Reclamation Standards (Rule R647) Granted: R647-4-111.8 (roads)

Soils and Geology:

Soil Description: Approximately 8 inches of unconsolidated colluvium and alluvium overlies the shale and is the growth medium for the local vegetation in the quarry area. This growth medium will be stripped and stockpiled for reclamation purposes near the top of the mine site.

pH: not available

Special Handling Problems: none anticipated

Geology Description: The shale deposit is classified as the Chiulos Member of the Great Blue Formation. The mine area is bounded by the Canyon Range and Pavant Thrust faults. The shale is steeply dipping suggesting local folding and faulting. High angle faults and fractures are common in

the deposit. The Chiulos shale in the quarry area is dark grey to black in color weathering to a light grey to light brown.

Hydrology:

Ground Water Description: Exact depth to ground water unknown. Exploratory drilling has not intercepted any groundwater in the mine area. Water table is apparently well below the proposed depth of the pit to be mined.

Surface Water Description: No intermittent or perennial drainages. An ephemeral drainage drains the small canyon containing the mine plan area. Operations will not impact this drainage

Water Monitoring Plan: None required.

Ecology:

Vegetation Type(s); Dominant Species: Pinyon/Juniper, Big Sagebrush, Cliff Rose, Antelope Bitterbrush, some wheatgrass species - (Quarry area); Indian Ricegrass, Sagebrush, Rabbitbrush, Big Sage, Globemallow, Juniper, Bottlebrush Squirreltail, Bluebunch Wheatgrass, Matchweed - (access road corridor).

Percent Surrounding Vegetative Cover: @15% (Quarry area), @30% (access road)

Wildlife Concerns: No impacts to threatened, endangered or sensitive species anticipated, some temporary displacement of local wildlife species anticipated. Wildlife should return to the site following reclamation.

Surface Facilities: None

Mining and Reclamation Plan Summary:

During Operations:

Ash Grove Cement Company (AGCC) will mine a shallow open pit for aluminum shale. Mining will involve blasting and dozing of the shale deposit. Mined material will be loaded onto haul trucks and taken @20 miles to the Ash Grove Cement Plant near Leamington, Utah and used in the processing of cement. Approximately 340,000 tons of shale will be mined during the first 5 years of activity. An alternate 1.8 mile haul road will be constructed by AGCC intercepting portions of the existing @3.3 mile county/BLM road accessing the mine site area.

After Operations:

AGCC will reduce quarry highwalls by blasting, backfilling and regrading to slopes no steeper than 3h:1v. Stockpiled plant growth medium will be dozed over the regraded slopes. Roads and pads will be ripped and regraded where appropriate. All reclaimed areas will be mulched, fertilized and reseeded with an approved seed mixture. The new mine access road will be reclaimed after mining is terminated. Portions of the existing county/BLM access road have an approved postmine use.

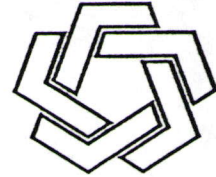
Surety:

Amount: \$53,400

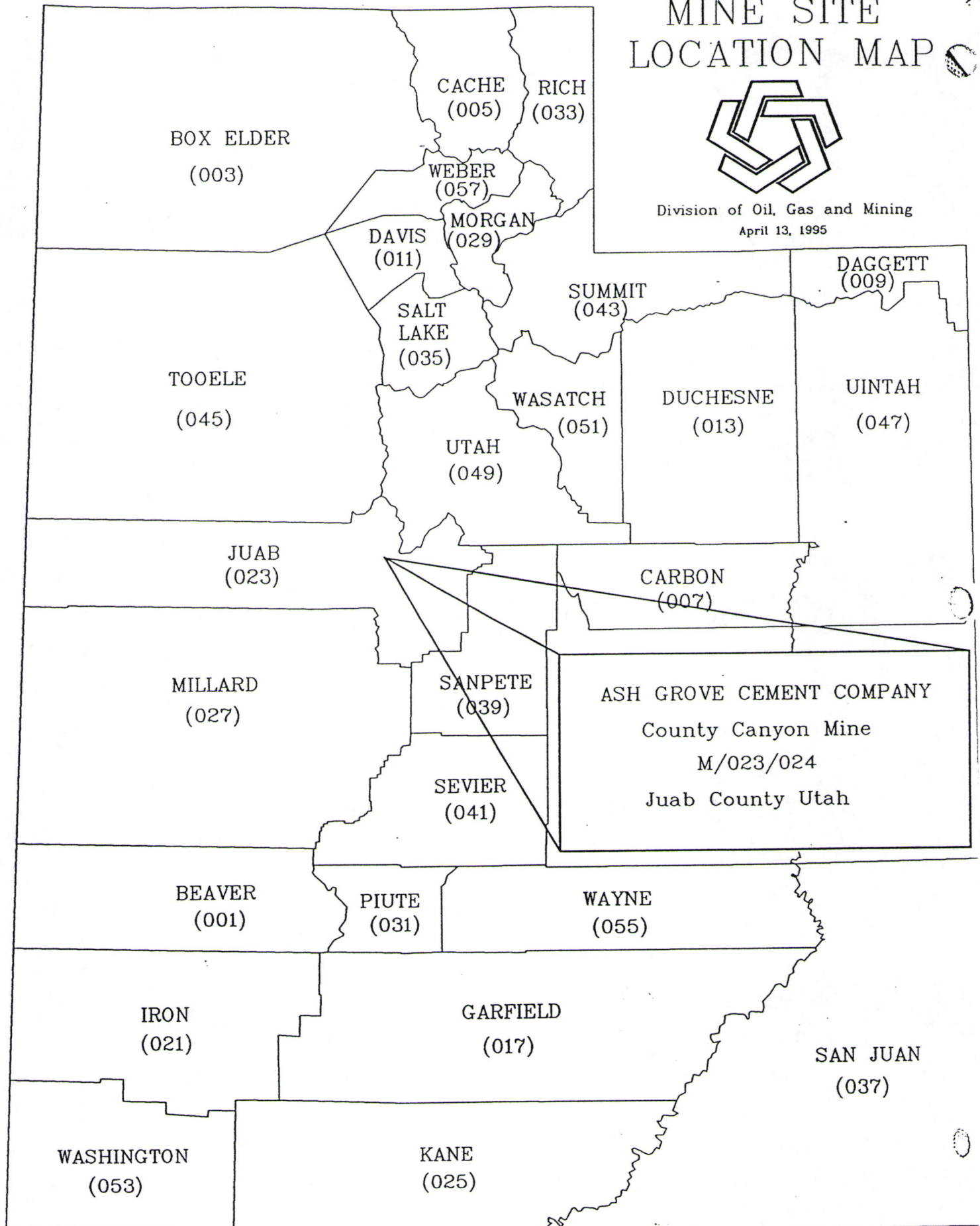
Form: Two surety bonds (\$21,600 - BLM) and (\$31,800 - DOGM)

Renewable Term: 5-year (2001)

MINE SITE LOCATION MAP



Division of Oil, Gas and Mining
April 13, 1995



SURETY ESTIMATE UPDATE

Ash Grove Cement Company

County Canyon Mine

M/023/024

Prepared by Utah Division of Oil, Gas & Mining

filename M23-24UP.WB2

Last Update

03/06/96

Juab County

DESCRIPTION:

-Reclamation estimate of \$44,600 was calculated in 1992 for 22 acres

-Current surety base amount was \$41,892 (1992-\$)

-Division & BLM both hold separate sureties for this operation

-Amount of surety required by the BLM is **\$21,600**

-This update adjusts the base amount to present dollars & escalates 5 yrs

-Actual escalation factor for 1995 is not yet available

-Average of past 3 yrs. actual escalation used to project future escalation

-Escalation factors through 1994 are actual Means Historical Cost Indices

-Total disturbed area =

22 ACRES

CALCULATIONS

$$F = P(1 + i)^{**n}$$

	YR	ESCAL FACTOR	BOND AMOUNT
F = Future Sum	1991	0.0127	\$0
P = Present Sum	1992	0.0221	\$41,892
i = Escalation Factor	1993	0.0261	\$42,985
n = number of periods	1994	0.0321	\$44,365
	1995	0.0268	\$45,554
	1996	0.0268	\$46,775
Three Yr Average = 2.68%	1997	0.0268	\$48,029
Used to Project 5 Yrs	1998	0.0268	\$49,316
Into the Future	1999	0.0268	\$50,637
From the Year 1996	2000	0.0268	\$51,995
	2001	0.0268	\$53,388

Total Updated Surety Amount Rounded (2001-\$)

\$53,400

Average cost per acre =

\$2,427

Surety Amount Required By DOGM (2001-\$)

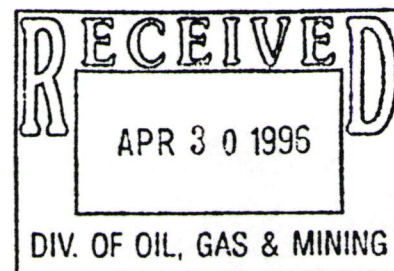
\$31,800

THIS OPERATION IS CATEGORIZED BY THE BLM AS A MINERAL MATERIALS SALE
THIS IS NOT COVERED UNDER THE CURRENT MOU FOR LOCATABLE MINERALS

File Number m/023/024
Effective Date 5/23/96

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECLAMATION CONTRACT
---00000---



For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/023/024
(Mineral Mined) Aluminum Shale

"MINE LOCATION":
(Name of Mine) COUNTY CANYON
(Description) _____

"DISTURBED AREA":
(Disturbed Acres) 22
(Legal Description) (refer to Attachment "A")

"OPERATOR":
(Company or Name) ASH GROVE CEMENT COMPANY
(Address) P.O. Box 51
Nephi, UT 84648
(Phone) (801) 857-2313

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

C. T. Corporation System

50 West Broadway

Salt Lake City, UT 84101

(801) 531-7090

"OPERATOR'S OFFICER(S)":

George M. Wells, President

John H. Ross III, Sr. V. President & General Counsel

William H. Siemering, V. President (Western Region)

"SURETY":

(Form of Surety - Attachment B)

SEE ATTACHMENT B

"SURETY COMPANY":

(Name, Policy or Acct. No.)

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

400 JS 8012

"SURETY AMOUNT":

(Escalated Dollars)

\$31,800.00

"ESCALATION YEAR":

2001

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between ASH GROVE CEMENT COMPANY the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/023/024 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated October 26, 1992, and the original Reclamation Plan dated October 26, 1992. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as

amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

Ash Grove Cement Company
Operator

By: John H. Ross III, Sr. Vice President & General Counsel
Authorized Officer (Typed or Printed)

X John H. Ross III
Authorized Officer's Signature

April 24, 1996
Date

SO AGREED this 22nd day of May, 19 96.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY Dave D. Lauriski
Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS JO MINING:

By

James W. Carter, Director

Date

5/23/96

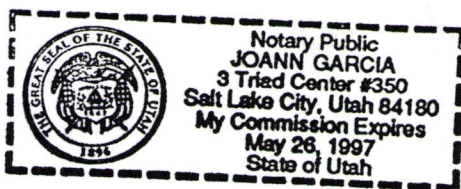
STATE OF

State of Utah

COUNTY OF

Salt Lake ss:

On the 23rd day of May, 19 96, personally appeared before me, who being duly sworn did say that he/she, the said James W. Carter is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.



Joann Garcia
Notary Public
Residing at: SLC, UT

5/26/97
My Commission Expires:

OPERATOR:

ASH GROVE CEMENT COMPANY

Operator Name

By John H. Ross III, Sr. Vice President & General Counsel

April 24, 1996

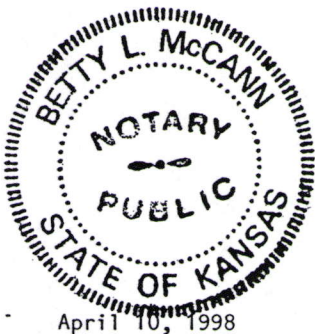
Corporate Officer - Position

Date

X John H. Ross III
Signature

STATE OF KANSAS)
COUNTY OF JOHNSON) ss:

On the 24th day of April, 19 96, personally
appeared before me John H. Ross III who
being by me duly sworn did say that he/she, the said John H. Ross III
is the Sr. Vice President & General Counsel of Ash Grove Cement Company
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
John H. Ross III duly acknowledged to me that said
company executed the same.



April 10, 1998

My Commission Expires:

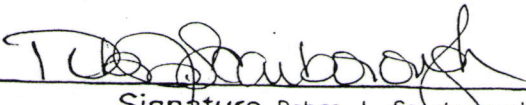
Betty L. McCann
Notary Public
Residing at: 10419 Barton, Overland Park, KS 66214

SURETY:

ST. PAUL FIRE AND MARINE INSURANCE COMPANY
Surety Company

By ATTORNEY-IN-FACT
Company Officer - Position

April 2, 1996
Date


Signature Debra J. Scarborough

STATE OF KANSAS)
COUNTY OF JOHNSON) ss:

On the 2nd day of April, 19 96, personally
appeared before me Debra J. Scarborough who
being by me duly sworn did say that ~~he~~/she, the said Debra J. Scarborough
is the Attorney-in-Fact of St. Paul Fire and Marine Insurance Company
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Debra J. Scarborough duly acknowledged to me that said
company executed the same.



Notary Public

Residing at: 2512 W. 50th Place, Westwood, KS 66205

November 4, 1997

My Commission Expires:

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.

ATTACHMENT "A"

ASH GROVE CEMENT COMPANY

Operator

COUNTY CANYON

Mine Name

M/023/024

Permit Number

JUAB

County, Utah

The legal description of lands to be disturbed is:

SW¹/₄, Section 25, Township 12S, Range 2 1/2 West, Juab County, Utah.

CERTIFIED
COPY NO.

For verification of the authenticity of this Power of Attorney, you may telephone toll free 1-800-421-3880 and ask for the Power of Attorney Clerk. Please refer to the Certificate of Authority No. and the named individual(s).

F-12678

GENERAL POWER OF ATTORNEY - CERTIFIED COPY
(Original on File at Home Office of Company. See Certification.)

1885558

KNOW ALL MEN BY THESE PRESENTS: That St. Paul Fire and Marine Insurance Company, a corporation organized and existing under the laws of the State of Minnesota, having its principal office in the City of St. Paul, Minnesota, does hereby constitute and appoint:

Kathy M. Loftus, Kevin D. Kalish of Kansas City, Missouri; Katherine D. Corder of Raymore, Missouri; Cynthia A. Whitehouse of Greenwood, Missouri; Debra J. Scarborough, Lee's Summit, Missouri, individually

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise,

NOT TO EXCEED IN PENALTY THE SUM OF TWENTY-FIVE MILLION DOLLARS (\$25,000,000) EACH

and the execution of all such instrument(s) in pursuance of these presents, shall be as binding upon said St. Paul Fire and Marine Insurance Company, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article V, Section 6(C), of the By-Laws adopted by the Shareholders of ST. PAUL FIRE AND MARINE INSURANCE COMPANY at a meeting called and held on the 28th day of April, 1978, of which the following is a true transcript of said Section 6 (C):

"The President or any Vice President, Assistant Vice President, Secretary or Service Center General Manager shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
- (2) To appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-Laws of the Company, and
- (3) To remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 5th day of May, 1959, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."



IN TESTIMONY WHEREOF, St. Paul Fire and Marine Insurance Company has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 30th day of November, A.D. 1990.

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

STATE OF NEW JERSEY } ss.
County of Somerset

MICHAEL B. KEEGAN, Secretary

On this 23rd day of September, 1994, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said that he/she is the therein described and authorized officer of St. Paul Fire and Marine Insurance Company; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his/her signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the township of Bedminster, New Jersey, the day and year first above written.

LINDA SMETHERS, Notary Public, Middlesex, NJ
My Commission Expires December 16, 1996**CERTIFICATION**

I, the undersigned officer of St. Paul Fire and Marine Insurance Company, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the **ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY**, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.



IN TESTIMONY WHEREOF, I have hereunto set my hand this

_____ day of APR 02 1996, 19 _____

MICHAEL W. ANDERSON, Asst. Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT ANY VALIDITY.

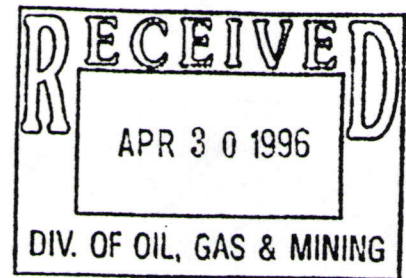
ATTACHMENT B

MR FORM 6
Joint Agency Bonding Form

(April 8, 1993)

Bond Number _____
Permit Number M/023/024
Mine Name County Canyon

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340



THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned ASH GROVE CEMENT COMPANY as Principal,
and ST. PAUL FIRE AND MARINE INSURANCE COMPANY as Surety, hereby jointly and severally
bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of
Utah, Division of Oil, Gas and Mining, and _____
in the penal sum of Thirty-One Thousand, Eight Hundred & No/100 dollars (\$31,800.00-----).

Principal has estimated in the Mining and Reclamation Plan approved by the
Division of Oil, Gas and Mining on the 26th day of October, 1992, that 22
acres of land will be disturbed by this mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the
Reclamation Contract of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has
satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and
Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation
Act, and complied with the Rules and Regulations adopted in accordance therewith, then this
obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the
disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and
regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by the Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

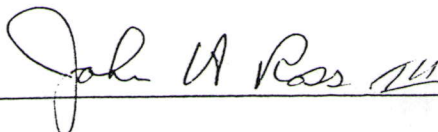
Date: May 3, 1996

ASH GROVE CEMENT COMPANY

Principal (Permittee)

By (Name typed): John H. Ross III

Title: Sr. Vice President & General Counsel

Signature: X 

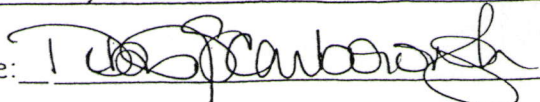
Date: May 3, 1996

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

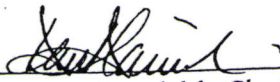
Surety

By: (Name Typed) Debra J. Scarborough

Title: Attorney-in-Fact

Signature: 

SO AGREED this 22nd day of May, 19 96.

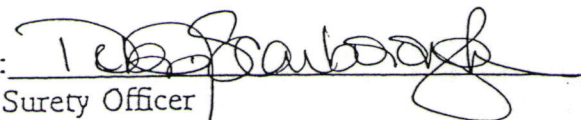


Dave D. Lauriski, Chairman
Board of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety Company, such Power of Attorney must be filed with this bond. If the Principal is a corporation, the bond shall be executed by its duly authorized officer.


AFFIDAVIT OF QUALIFICATION

Debra J. Scarborough, being first duly sworn, on oath deposes and says that ~~he~~ she is the (officer or agent) Agent of said Surety, and that ~~he~~ she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

Signed: 
Surety Officer

Title: Attorney-in-Fact

Subscribed and sworn to before me this 3rd day of May, 19 96.


Notary Public
Residing at: 2512 W. 50th Place, Westwood, KS 66205

My Commission Expires:

November 4, 19 97.

CERTIFIED
COPY NO.

For verification of the authenticity of this Power of Attorney, you may telephone toll free 1-800-421-3880 and ask for the Power of Attorney Clerk. Please refer to the Certificate of Authority No. and the named individual(s).

F-12678

GENERAL POWER OF ATTORNEY - CERTIFIED COPY
(Original on File at Home Office of Company. See Certification.)

1885550

KNOW ALL MEN BY THESE PRESENTS: That St. Paul Fire and Marine Insurance Company, a corporation organized and existing under the laws of the State of Minnesota, having its principal office in the City of St. Paul, Minnesota, does hereby constitute and appoint:

Kathy M. Loftus, Kevin D. Kalish of Kansas City, Missouri; Katherine D. Corder of Raymore, Missouri; Cynthia A. Whitehouse of Greenwood, Missouri; Debra J. Scarborough, Lee's Summit, Missouri, individually

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise,

NOT TO EXCEED IN PENALTY THE SUM OF TWENTY-FIVE MILLION DOLLARS (\$25,000,000) EACH

and the execution of all such instrument(s) in pursuance of these presents, shall be as binding upon said St. Paul Fire and Marine Insurance Company, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article V, Section 6(C), of the By-Laws adopted by the Shareholders of ST. PAUL FIRE AND MARINE INSURANCE COMPANY at a meeting called and held on the 28th day of April, 1978, of which the following is a true transcript of said Section 6 (C):

"The President or any Vice President, Assistant Vice President, Secretary or Service Center General Manager shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
- (2) To appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-Laws of the Company, and
- (3) To remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 5th day of May, 1959, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."



IN TESTIMONY WHEREOF, St. Paul Fire and Marine Insurance Company has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 30th day of November, A.D. 1990.

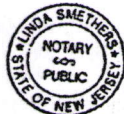
ST. PAUL FIRE AND MARINE INSURANCE COMPANY

STATE OF NEW JERSEY } ss.
County of Somerset

MICHAEL B. KEEGAN, Secretary

On this 23rd day of September, 1994, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said that he/she is the therein described and authorized officer of St. Paul Fire and Marine Insurance Company; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his/her signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the township of Bedminster, New Jersey, the day and year first above written.



LINDA SMETHERS, Notary Public, Middlesex, NJ
My Commission Expires December 16, 1996
CERTIFICATION

I, the undersigned officer of St. Paul Fire and Marine Insurance Company, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.



IN TESTIMONY WHEREOF, I have hereunto set my hand this

____ day of MAY 03 1996, 19 ____

MICHAEL W. ANDERSON, Asst. Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT ANY VALIDITY.